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Honorable James H. Welsh Commissioner of Conservation Office of Conservation Post Office Box 94275

Baton Rouge, LA 70804-4275

Re:

First Planulina Zone, Reservoir D Discorbis Sand, Reservoir A South Thornwell Field Jefferson Davis Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **DENBURY RESOURCES INC.** for the calling of public hearings, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the First Planulina Sand, Reservoir D, created by Office of Conservation Order No. 479-H-1, effective November 12, 1985, and the Discorbis Sand, Reservoir A, all in the South Thornwell Field, Jefferson Davis Parish, Louisiana, said units designated PLAN 1 RD SUA and DISC RA SUA, respectively:

- 1. To redefine the First Planulina Zone, Reservoir D, in the South Thornwell Field, as being that gas and condensate bearing zone encountered between the depths of 9,462 feet and 9,945 feet (electrical log measurements) in the Denbury Resources Inc. Blank Living Trust No. 1 Well located in Section 36, Township 11 South, Range 5 West, Jefferson Davis Parish, Louisiana.
- 2. To permit the applicant to drill, designate and utilize the Denbury Resources Inc. Blank Living Trust No. 1 Well as substitute unit well for the PLAN 1 RD SUA, said well located as shown on the plat attached hereto and made a part hereof.
- 3. To find that the proposed substitute unit well for the PLAN 1 RD SUA is necessary to efficiently and economically drain a portion of the reservoir covered by the unit in which it is situated which cannot be so drained by any existing well within such unit.

- 4. Except to the extent contrary herewith, to confirm and continue in effect the unit established by Office of Conservation Order No. 479-H-1, and the provisions thereof relating to said unit.
- 5. To establish rules and regulations and to create a single drilling and production unit for the exploration for and production of gas and condensate from the Discorbis Sand, Reservoir A, in the South Thornwell Field, Jefferson Davis Parish, Louisiana, said unit to be designated DISC RA SUA.
- 6. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
- 7. To designate Denbury Resources Inc. as operator of the proposed PLAN 1 RD SUA and DISC RA SUA.
- 8. To designate the Denbury Resources Inc. Blank Living Trust No. 1 Well as unit well for the proposed DISC RA SUA.
- 9. To provide that any future wells drilled to the Discorbis Sand, Reservoir A, in the South Thornwell Field, should be located in accordance with the spacing provisions of Statewide Order No. 29-E.
- 10. To provide that the Commissioner of Conservation should be authorized to reclassify the proposed sand and reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
- 11. To consider such other matters as may be pertinent.

The First Planulina Sand, Reservoir D, in the South Thornwell Field, Jefferson Davis Parish, Louisiana, was previously defined in Office of Conservation Order No. 479-H-1, effective November 12, 1985.

The First Planulina Zone, Reservoir D, in the South Thornwell Field, is hereby defined as being that gas and condensate bearing zone encountered between the depths of 9,462 feet and 9,945 feet (electrical log measurements) in the Denbury Resources Inc. – Blank Living Trust No. 1 Well located in Section 36, Township 11 South, Range 5 West, Jefferson Davis Parish, Louisiana.

The Discorbis Sand, Reservoir A, in the South Thornwell Field, is hereby defined as being that gas and condensate bearing sand encountered between the depths of 10,376 feet and 10,403 feet (electrical log measurements) in the Denbury Resources Inc. – Blank Living Trust No. 1 Well located in Section 36, Township 11 South, Range 5 West, Jefferson Davis Parish, Louisiana.

Pertinent data, including well logs, may be obtained AT THE COST OF THE REQUESTING PARTY, from Mr. David Comeaux of Leon Comeaux and Associates, Post Office Box 53922, Lafayette, Louisiana 70505, Telephone Number (337) 233-9839.

Pursuant to the Revised Rules of Procedure, pre-application notice was given; however, no request for the conference was received. Therefore, the conference tentatively scheduled for Monday, October 20, 2003, <u>WILL NOT BE HELD</u>.

No change to the exterior limits of the existing PLAN 1 RD SUA is being requested. The applicant is simply requesting that the unitized interval be redefined and that the existing unit otherwise be confirmed and continued in effect.

Attached hereto and made a part hereof are plats showing the existing PLAN 1 RD SUA and proposed DISC RA SUA and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such plats (being the same plats attached to the notice dated September 26, 2003) and list of parties are being furnished only to the Commissioner of Conservation and the District Manager of the Lafayette District of the Office of Conservation; however, the plats and/or list of parties will be furnished to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed is our check on behalf of the applicant, in the amount of \$1,510.00, <u>made</u> <u>payable to the Office of Conservation</u> representing the required hearing application fee.

Very truly yours,

LISKOW & LEWIS

Richard W. Revels, Jr.

RWRjr/dbf Enclosures

cc: Mr. Richard Hudson, Lafayette District Office of Conservation

Interested Owners, Represented Parties and Interested Parties

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cc:



